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DA 14-1091

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DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF GOLDFIELD TELEPHONE CO., INC. AND GOLDFIELD ACCESS NETWORK, L.C. TO BYC COMMUNICATIONS, LLC

## NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 14-112

Comments Due: August 13, 2014

Reply Comments Due: August 20, 2014

On July 16, 2014, Goldfield Telephone Co., Inc. (GTCI) and BYC Communications, LLC (BYC) (together, Applicants) filed an application pursuant to section 63.03 of the Commission's rules to transfer control of GTCI and Goldfield Access Network, L.C. (GAN) to BYC.<sup>1</sup>

GTCI, an Iowa corporation, provides incumbent local exchange carrier (LEC) and long distance services to less than 500 access lines in the Goldfield exchange in Wright County in north central Iowa. GTCI owns 51 percent of GAN, an Iowa limited liability company that provides competitive LEC services in competition with CenturyLink, Inc. in the Clarion, Eagle Grove, Humboldt, and Renwick exchanges in Wright and Humboldt Counties in north central Iowa.<sup>2</sup>

BYC is a recently formed Iowa limited liability company that is owned in equal 33.33 percent portions by three Iowa incumbent LECs: (1) Communications 1 Network, Inc. (Comm1); (2) Schaller Telephone Company (Shaller); and (3) Webster-Calhoun Cooperative Telephone Association (WCCTA). Comm1 is an Iowa corporation that provides incumbent LEC and long distance services in the Corwith, Kanawha, and Klemme exchanges in Hancock County in north central Iowa. Comm1 owns 100 percent of Comm 1 Connects, Inc., an Iowa corporation that provides competitive LEC services in Garner, Iowa. Schaller is an Iowa corporation that provides incumbent LEC and long distance services in the Schaller, Galva, Cushing, and Kiron exchange in Sac, Ida, Woodbury, and Crawford Counties in west central Iowa. Schaller owns 50 percent of Advanced Network Communications, LLC, an Iowa limited liability

<sup>&</sup>lt;sup>1</sup> 47 C.F.R § 63.03; *see* 47 U.S.C. § 214. Applicants are also filing applications for transfer of control associated with authorization for international and wireless services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

<sup>&</sup>lt;sup>2</sup> Goldfield Communications Services, Corp., an Iowa corporation wholly owned by GTCI, provides cable television service in Goldfield, Woolstock, and Badger, Iowa. North Central Wireless, L.C., an Iowa limited liability company wholly owned by GTCI, provides wireless telecommunications services in Wright and Humboldt Counties.

company that provides competitive LEC services in Correctionville, Ida Grove, Holstein, and Anthon, Iowa. WCCTA is an Iowa cooperative association that provides incumbent LEC and long distance services in the Gowrie, Pilot Mound, Vincent, Thor, Churdan, Knierim, Somers, Barnum, Duncombe, Farnhamville, Badger, Clare, Moorland, Boxholm, Lanyon, and Paton exchanges in Webster, Calhoun, Greene, Boone, and Humboldt Counties in north central Iowa.

Applicants state that the following U.S. entities and U.S. citizens own at least 10 percent of the equity and voting interests of the incumbent LECs that own BYC: Comm1: William R. Johnson 2012 Exempt Trust (31.65 percent), Mary L. Johnson 2009 Marital Trust (24.08 percent), Mary L. Johnson 2013 Exempt Trust (12.55 percent); Schaller: Steven S. Reimers Family Trust (49 percent), Melissa Kestel (37 percent), JoAnn Reimers (14 percent); WCCTA: WCCTA is a telephone cooperative with approximately 3,199 members, none of whom directly or indirectly owns or controls 10 percent or more of its equity or voting interests.

Applicants do not seek streamlined treatment for this application under section 63.03(b) of the Commission's rules because WCCTA's Thor exchange is adjacent to GTCI's Goldfield exchange, and Comm 1's Kanawha exchange is adjacent to GTCI's Goldfield exchange.<sup>3</sup>

Pursuant to the terms of the proposed transaction, BYC is purchasing all of GTCI's issued and outstanding common stock from GTCI's forty-eight stockholders. Purchase of this stock will give BYC control of GTCI and its assets, operations, and subsidiaries.<sup>4</sup> Applicants assert the proposed transaction is in the public interest and that BYC will ensure that GTCI and GAN customers continue to receive high-quality voice, data, and video services at affordable rates.

Domestic Section 214 Application Filed for the Transfer of Control of Goldfield Telephone Co., Inc. and Goldfield Access Network, L.C. to BYC Communications, LLC, WC Docket No. 14-112 (filed July 16, 2014).

## **GENERAL INFORMATION**

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before August 13, 2014,** and reply comments **on or before August 20, 2014.** Pursuant to section 63.52 of the Commission's rules, 47 C.F.R. § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date.

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<sup>&</sup>lt;sup>3</sup> 47 C.F.R. § 63.03(b).

<sup>&</sup>lt;sup>4</sup> Applicants state that BYC's purchase of GTCI's stock will also give BYC ownership of GTCI's controlling equity interest in GAN, plus a 25% equity interest in Goldfield Telecom, L.C. (GTLC), an Iowa limited liability company that is a telecommunications equipment supplier. The remaining 49% equity interest in GAN is currently held by Advanced Telecommunications Holdings (ATH), an Iowa corporation that is also a telecommunications supplier. ATH is wholly owned by Darrell Seaba, the present General Manager and 21.80% shareholder of GTCI. As part of the proposed transaction, GTCI will exchange its 25% interest in GTLC to ATH for ATH's 49% interest in GAN. As a result of this exchange, GTCI and its new parent entity, BYC, will own 100% of the equity and voting interests of GAN.

Pursuant to section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents in this proceeding using the Commission's Electronic Comment Filing System (ECFS): http://fjallfoss.fcc.gov/ecfs2/.

## In addition, e-mail one copy of each pleading to each of the following:

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 2) Jodie May, Competition Policy Division, Wireline Competition Bureau, jodie.jay@fcc.gov;
- 3) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 4) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's ex parte rules.<sup>5</sup> Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b), 47 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

For further information, please contact Tracey Wilson at (202) 418-1394 or Jodie May at (202) 418-0913.

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<sup>&</sup>lt;sup>5</sup> 47 C.F.R. §§ 1.1200 et seq.